

APR 25 1996

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Amendment of Part 20 and 24 of the
Commission's Rules -- Broadband
PCS Competitive Bidding and the
Commercial Mobile Radio Service
Spectrum Cap

Amendment of the Commission's
Cellular PCS Cross-Ownership Rule

) DOCKET FILE COPY ORIGINAL
)
)
) WT Docket No. 96-59
)
)
)
)
)
) GN Docket No. 90-314
)

REPLY COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint") hereby submits its reply to comments filed in response to the above-captioned Notice of Proposed Rulemaking ("Notice") (FCC 96-119) released March 20, 1996. Sprint's reply addresses the retention of the various existing spectrum caps.

Sprint's initial comments urged the Commission to maintain the spectrum aggregation limits currently in place [the PCS/cellular crossownership rule limiting cellular licensees to 35 MHz of combined cellular and PCS spectrum per geographic area; and the 40 MHz limit on total PCS spectrum per geographic area] rather than abandoning them in favor of the 45 MHz CMRS spectrum cap for any combination of broadband PCS, cellular and SMR. (Sprint comments at 9-10) On the other hand, the Cellular Telecommunications Industry Association ("CTIA") and a number of cellular companies and companies with cellular interests argued

No. of Copies rec'd _____
List ABCDE _____

006

for relaxation of the rules, by eliminating all but the 45 MHz cap.¹ However, there is considerable support for Sprint's position among commenters.² In fact, the comments of North Coast even stated that "the Commission should hardly relax its cellular/PCS cross-ownership and PCS spectrum cap rules, it should tighten them...." (North Coast Comments at 16)

Sprint's comments stressed that 1) the spectrum caps were carefully developed by the Commission; 2) revising the ground rules midway through the licensing process would disadvantage entities who made business decisions in previous auctions based on the restrictions then in place; and 3) abandoning the PCS cellular crossownership rule in favor of a 45 MHz cap could actually limit, rather than promote competition, since it would enable cellular providers to acquire both D and E block licenses in a single BTA.

As the Notice stated, the Commission's intent in possible reexamination of its current rules is to promote increased competition (Notice at para. 9). To quote TDS, "[t]he Commission has a voluminous record supporting its current rules and policies....The Commission has ample support in this existing

1. See, e.g., comments of AT&T Wireless Services, Inc., BellSouth Corporation, Cellular Communications of Puerto Rico, Inc., Cincinnati Bell Telephone Company, GTE Service Corporation, Radiofone, Inc., and Vanguard Cellular Systems, Inc.

2. See, e.g., comments of Columbia Cellular, Inc., Cook Inlet Region, Inc., DCR Communications, Inc., Mountain Solutions, North Coast Mobile Communications, Inc., Rendall and Associates, Telephone and Data Systems, Inc., and Telephone Electronics Corporation.

record for continued reliance on its existing rules and policies [regarding the PCS/cellular crossownership rule, the broadband PCS limits and the attribution standards]. (TDS comments at 3) Sprint emphatically agrees. Further, we respectfully urge that the Commission in its deliberations examine carefully the potential adverse impact on competition that could result from modifying these rules, particularly the PCS/cellular crossownership restriction.

AT&T asserts that "[a] single ownership rule and a single attribution rule would both accomplish the Commission's goal of maximizing competition and adhere more closely to Congress's objective of regulatory parity for all CMRS licensees." (AT&T at 9-10) Sprint challenges this simplistic conclusion. Adopting "one size fits all" rules at this juncture would in fact frustrate the goals of regulatory parity and increased competition. Indeed, the tremendous competitive advantage that existing cellular carriers already possess tilts the playing field against new PCS entrants. Incumbent cellular providers already have a 10+ year head start on the competition, and a dominant position in the existing CMRS marketplace. In addition, they have large existing and rapidly expanding customer bases, robust networks and systems, and impressive financial results and resources. Moreover, under the current rules cellular providers already have ample opportunity to increase

their foothold in the market, since they may acquire a 10 MHz broadband PCS license in either the D or E block, and, additionally, may partner with an F block licensee. Furthermore, as DCR's comments point out, "[t]he Commission's rules permit cellular licensees to obtain more spectrum once PCS companies have had an opportunity to establish themselves [beginning in the year 2000]."³ (DCR at 14) Under the circumstances, Sprint believes that at the present time restricting cellular providers to 35 MHz of total cellular and PCS spectrum in the same geographic area is entirely reasonable.

All of the above argues forcefully for retaining the existing rules, in order to approximate a level playing field to ensure that newer PCS entities have the opportunity to compete against entrenched cellular providers. Thus, the potential for competition in the PCS marketplace and its consequent benefits for consumers will be maximized. Furthermore, as our initial comments asserted, any change in the rules at this time would also tilt the playing field against licensees in the A, B and C blocks and would likely signal the onset of further litigation.

3. 47 C.F.R.. Section 24.204(b).

Sprint therefore urges the Commission to pursue the prudent course on which it has embarked. It is sound, it is equitable, and it will benefit consumers.

Respectfully submitted,

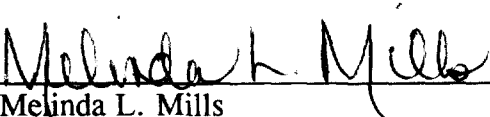
SPRINT CORPORATION

By Jay C. Keithley
Jay C. Keithley
Nancy R. McCabe
1850 M Street, N.W.
Suite 1100
Washington, D.C. 20036
(202) 857-1030

April 25, 1996

CERTIFICATE OF SERVICE

I, Melinda L. Mills, hereby certify that I have on this 25th day of April, 1996, sent via U.S. First Class Mail, postage prepaid, or Hand Delivery, a copy of the foregoing "Reply Comments" of Sprint Corporation in the Matter of Amendment of Part 20 and 24 of the Commission's Rules - Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap, WT Docket No. 96-59, and Amendment of the Commission's Cellular PCS Cross-Ownership Rules, GN Docket No. 90-314, filed this date with the Acting Secretary, Federal Communications Commission, to the persons on the attached service list.


Melinda L. Mills

Mark J. Golden
PCIA
500 Montgomery Street
Suite 700
Alexandria, VA 22314-1561

R. Michael Senkowski
Katherine M. Holden
Wiley, Rein & Fielding
1776 K Street, NW
Washington, DC 20006
Attorneys for PCIA

George Y. Wheeler
Koteen & Naftalin
1150 Connecticut Avenue, NW
Washington, DC 20036
Attorneys for Telephone and Data
Systems, Inc.

John F Beasley
William B. Barfield
Jim O. Llewellyn
BellSouth
1155 Peachtree Street, NE
Suite 1800
Atlanta, GA 30309-2641

Charles P. Featherstun
David G. Richards
BellSouth
1133 21st Street, NW
Washington, DC 20036

James U. Troup
L. Charles Keller
Arter & Hadden
1801 K Street, NW
Suite 400K
Washington, DC 20006
Attorneys for Mountain Solutions; Telephone
Electronics Corporation; Iowa LP 136

William R. Richardson, Jr.
Lynn R. Charytan
Wilmer, Cutler & Pickering
2445 M Street, NW
Washington, DC 20037
Attorneys for DCR Communications, Inc.

Cathleen A. Massey
AT&T Wireless Services
1150 Connecticut Avenue, NW
4th Floor
Washington, DC 20036

Michael F. Altschul
Randall S. Coleman
Andrea D. Williams
CTIA
1250 Connecticut Avenue, NW
Suite 200
Washington, DC 20036

Philip L. Verveer
Jennifer A. Donaldson
Willkie Farr & Gallagher
1155 21st Street, NW, Suite 600
Three Lafayette Centre
Washington, DC 20036
Attorneys for CTIA

David S. Rendall
Rendall and Associates
5000 Falls of Neuse Road
Raleigh, NC 27609

Gerard G. Adams
Columbia Cellular, Inc.
1122 East Green Street
Pasadena, CA 91106

Joe D. Edge
Mark F. Dever
Drinker Biddle & Reath
901 Fifteenth Street, NW
Suite 900
Washington, DC 20005
Attorneys for Cook Inlet Region, Inc.

James F. Ireland
Theresa A. Zeterberg
Cole, Raywid & Braverman, LLP
1919 Pennsylvania Avenue, NW
Suite 200
Washington, DC 20554
Attorneys for North Coast Mobile

Paul C. Besozzi
Patton Boggs, LLP
2550 M Street, NW
Washington, DC 20037
Attorneys for Vanguard Cellular

Ashton R. Hardy
Hardy & Carey, LLP
111 Veterans Blvd.
Suite 255
Metairie, LA 70005
Attorneys for Radiofone, Inc.

Andrew J. Lachance
GTE Service Corporation
1850 M Street, NW
Suite 1200
Washington, DC 20036

Thomas E. Taylor
Douglas E. Hart
Frost & Jacobs
2500 PNC Center
201 East Fifth Street
Cincinnati, OH 45202
Attorneys for Cincinnati Bell

Jay L. Birnbaum
David H. Pawlik
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, NW
Washington, DC 20005

Carressa D. Bennet
Michael R. Bennet
Bennet & Bennet, PLLC
1831 Ontario Place, NW
Suite 200
Washington, DC 20009
Attorneys for Ad Hoc Rural PCS Coalition

George Petrutsas
Paul J. Feldman
Fletcher, Heald & Holdreth, PLC
11th Floor, 1300 North 17th Street
Rosslyn, VA 22209
Attorneys for Roseville Telephone

Charles H. Carrathers, III
Hunton & Williams
951 East Byrd Street
Richmond, VA 23219
Attorneys for The Virginia PCS
Alliance, LC

Steven A. Zecola
GO Communications Corporation
201 N. Union Street, Suite 410
Alexandria, VA 22314

David L. Nace
Lukas, McGowan, Nace & Gutierrez
1111 19th Street, NW, 12th Floor
Washington, DC 20036
Attorneys for Coalition of NY Rural
Telephone Companies

Shelley Spencer
AirLink, LLC
3000 K Street, NW
Suite 300
Washington, DC 20007

R.H. Moore
President & CEO
US Intelco Wireless Communications, Inc.
PO Box 8
Olympia, WA 98507-0008

Lawrence R. Sidman
Verner, Liipfert, Bernhard, McPherson & Hand
901 15th Street, NW
Suite 700
Washington, DC 20005
Attorneys for Phoenix, LLP

Mark J. Tauber
Mark J. O'Connor
Piper & Marbury, LLP
1200 19th Street, NW
7th Floor
Washington, DC 20036
Attorneys for Omnipoint Corporation

Steven N. Teplitz
Fleischman & Walsh, LLP
1400 16th Street, NW
Washington, DC 20036
Attorneys for American Women In Radio
and Television

Peter Cramton, President
Auction Strategy, Inc.
4405 Holly Hill Road
University Park, MD 20782

David J. Kaufman
Lorretta K. tobin
Brown Nietert & Kaufman
1920 N Street, NW, Suite 660
Washington, DC 20036
Attorneys for Antigone Communications, LP

Charles H. Helein
Helein & Associates, PC
8180 Greensboro Drive, Suite 700
McLean, VA 22102
Attorneys for WPCS, Inc.

David Cosson
L. Marie Guillory
NTCA
2626 Pennsylvania Avenue, NW
Washington, DC 20037

Henry A. Solomon
Melodie A. Virtue
Haley Bader & Potts, PLC
4350 North Fairfax Drive
Suite 900
Arlington, VA 22203-1633
Attorneys for Gulfstream Communications

Janice Obuchowski
Halprin, Temple, Goodman & Sugrue
1100 New York Avenue
Suite 650 East
Washington, DC 20005
Attorneys for NextWave Telecom

Charla M. Rath
Freedom Technologies, Inc.
1100 New York Avenue
Suite 650 East
Washington, DC 20005
Consultants to NextWave Telecom

Leonard J. Kennedy
Richard S. Denning
Dow, Lohnes & Albertson
1200 New Hampshire Avenue, NW
Suite 800
Washington, DC 20036-6802
Attorneys for Devon Mobile Comm.

Lawrence Movshin
Wilkinson, Barker, Knauer & Quinn
1735 New York Avenue, NW
Suite 600
Washington, DC 20006-5289
Attorneys for Community Service Comm

Carlos V. Roberts
Spectrum Resources, Inc.
307 Annandale Road
Suite 101
Falls Church, VA 22041

Mateo R. Camarillo
ONE, Inc.
8303 Clairemont Mesa Blvd.
Suite 201
San Diego, CA 92111

Steven R. Bradley
Integrated Communications Group Corp.
1122 E. Green Street
Pasadena, CA 91106

Philip M Bradley
Integrated Voice Sys
3806 Dunford Lane
Suite D
Inglewood, CA 90305-2261

Armando L. Villareal
Ondas Communications Services
426 University Drive
Corpus Cristi, TX 78412

Tom A. Alberg
Personal Connect Communications
2300 Carillo Point
Kirkland, WA 98033

Curtis T. White
Allied Communicatins Group
4201 Connecticut Avenue, NW
Suite 402
Washington, DC 20008-1158

Edward Hayes, Jr.
1155 Connecticut Avenue, NW
3rd Floor
Washington, DC 20036
Attorney for Allied Communications Group

Louis Gurman
Doane F. Kiechel
Gurman, Blask & Freedman
1400 16th Street, NW
Suite 500
Washington, DC 20036
Attorneys for Western Wireless Corp.

William D. Chamblin, III
Conestoga Wireless Co.
661 Moore Road
King of Prussia, PA 19406

Laurie L. Arthur
New Dakota Investment Trust
4513 Pin Oak Court
Sioux Falls, SD 57103

Jeffrey S. Bork
US West, Inc.
1020 19th Street, NW, Suite 700
Washington, DC 20036

Glenn S. Rabin
AllTel Corporation
655 15th Street, NW
Suite 220
Washington, DC 20005

Regina Keeney, Chief*
Common Carrier Bureau
Federal Communications Commission
1919 M Street, NW
Room 500
Washington, DC 20554

Jim Schlichting, Chief*
Tariff Division
Federal Communications Commission
1919 M Street, NW
Room 518
Washington, DC 20554

Wilbur Thomas*
ITS
1919 M Street, NW
Room 246
Washington, DC 20554

Joel Ader*
Bellcore
2101 L Street, NW
Suite 600
Washington, DC 20037

* Indicates Hand Delivery